



**SB 342 - Tax Credits – Homeowners and Renters – Income Calculation**  
**Budget and Taxation Committee**  
**January 24, 2024**  
**SUPPORT**

Chairman Guzzone, Vice-Chair Rosapepe and members of the committee, thank you for the opportunity to submit testimony in support of Senate Bill 342. This bill addresses the definition of assets that are calculated to determine a renter’s eligibility for the Renters’ Property Relief Tax Program. Specifically, it would exclude the cash value of a qualified retirement savings plan or individual retirement account when determining an individual’s net worth.

The CASH Campaign of Maryland promotes economic advancement for low-to-moderate income individuals and families in Baltimore and across Maryland. CASH accomplishes its mission through operating a portfolio of direct service programs, building organizational and field capacity, and leading policy and advocacy initiatives to strengthen family economic stability. CASH and its partners across the state achieve this by providing free tax preparation services through the IRS program ‘VITA’, offering free financial education and coaching, and engaging in policy research and advocacy. **Almost 4,000 of CASH’s tax preparation clients earn less than \$10,000 annually. More than half earn less than \$20,000.**

The Renters’ Property Relief Program is instrumental in supporting low-income, elderly, and disabled Marylanders. This program provides financial assistance to eligible individuals and families by paying renters for the “assumed property tax” that they are paying through rent. In order to be eligible for this program, a renter’s combined net worth cannot exceed \$200,000. Currently, the law includes an individual’s retirement account in the calculation of their net worth, which excludes hundreds if not thousands of renters from accessing this program.

**SB 342 will ensure that individuals are not excluded from receiving financial assistance due to their planning ahead for retirement.** Last year, CASH provided financial education to over 11,000 low-income Marylanders across the state through the CASH Academy. One of CASH Academy’s key points to clients is the importance of saving for retirement. Low-income Marylanders should not be penalized for following financial advice to invest in their retirement savings.

According to Prosperity Now’s most recent scorecard for Maryland, 20.2% of Maryland households experience income volatility, and 26.7% had difficulty paying for usual household expenses.<sup>1</sup> This shows that at least one fifth of Marylanders struggle to pay for basic expenses, including rent. Maryland ranks 6 for the highest rent costs, averaging \$1,732 in rent across the state.<sup>2</sup> Broadening the number of eligible Marylanders for the Renters’ Property Relief Tax Program will benefit more vulnerable individuals and households across the state.

***Thus, we encourage you to return a favorable report for SB 342.***

<sup>1</sup> Prosperity Now: <https://scorecard.prosperitynow.org/data-by-location#state/md>

<sup>2</sup> Forbes: <https://www.forbes.com/advisor/mortgages/cost-of-living-by-state/>